



TOWN OF ACTON

P.O. Box 681

Acton, Massachusetts, 01720

Telephone (978) 263-4776

Fax (978) 266-1408

Acton Community Housing Corporation

Nancy E. Tavernier, Chair

March 21, 2002

Acton Board of Selectmen
Acton Town Hall
Acton, MA

Dear Board members:

The ACHC has received notification that one of our 16 first-time homeowners is putting her house on the market for resale. This unit is located in the Harris St. Village development and is the unit that was designated by the Planning Board as the handicapped adaptable unit. This is the first resale request the Town has received and the procedure we must now go through to retain this affordable unit is almost as cumbersome as the original marketing program.

The owner has 90 days to find an income eligible first time homebuyer with the preference given to a family who needs a handicapped adaptable unit. The state DHCD will determine the selling price of the home, using an indexing calculation. If after 90 days, the owner and the Town have not found an eligible buyer, the house can be sold at market price however the difference in the selling price must go to the Town to be placed in an interest bearing fund for affordable housing. A lottery will be required for the unit, which will contain the names of all pre-approved buyers. At least this unit is for local preference only so the advertising expense will be limited.

Because the clock will start ticking on the 90 days in a matter of a week, we need to move quickly on this procedure. The members of the ACHC voted today to request the use of up to \$1000 from the New View Affordable Housing Fund, under the control of the Board, to hire a consultant to perform the necessary steps for marketing, lottery, etc. Our choice is Mark O'Hagan who has been the consultant used by developers for all of the affordable housing projects to date. Because of the added complication of the handicapped designation of the unit and the complexities of issues that we are dealing with at the moment, we are unable to commit to the workload. We feel this would be an excellent expenditure of the New View fund. It is vital that we maintain this unit in our affordable count.

I would ask the Board to authorize this expenditure for:

Mark O'Hagan
MCO & Associates
62 Green Rd.
Bolton, MA 01740
978-779-0113

He has quoted the amount of \$500 to Betty McManus plus additional expenses that we do not anticipate would be more than \$1-200. Authorization for \$1000 should cover this need. We assume the Town Manager would finalize the details with O'Hagan.

Please feel free to call me or Betty McManus if you have any questions about the procedures.

Sincerely,

Nancy E. Tavernier, Chair
ACHC

ACTON COMMUNITY HOUSING CORPORATION

P.O. BOX 681
ACTON, MA 01720
(978) 263-4776

March 29, 2002

Certified Mail & Regular Mail
7099 3220 008 9817 8832

Ms. Dawn (Vesco) Denaro
6 Jennifer Road
Acton, MA 01720

Dear Dawn:

The Acton Community Housing Corporation (ACHC) is receipt of your letter stating your intention to sell your condominium. This letter serves as notice to you that for a period of 90 days, the Town reserves the right to restrict the sale of your condominium to First Time Homebuyers who are income eligible under the LIP program. This 90 day period is referred to as the "right of first refusal period", and the expiration date of this period is 90 days from your receipt of this letter. As the unit is marketed a preference will be granted to First Time Homebuyers who are handicapped Acton residents.

The maximum Resale Price your unit can be sold for is \$112,785, which is calculated by using the current appraisal of your home condominium \$365,000 x the original discount rate of 30.9% equaling \$112,785. The Town has hired a consultant, Mark O'Hagan to handle the resale process. I would image he will contact you next week. I have enclosed the Department of Housing & Community Development's (DHCD) memo which explains the resale of your LIP home. In the meantime if you have any questions please feel free to call me directly.

Sincerely,

Naomi E. McManus

Naomi E. McManus
Clerk, ACHC

cc: Cathy Peagler, DHC.
Mark O'Hagan, Con
Roland Bartl, Acton
Acton Selectmen

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

*Dawn Denaro
6 Jennifer Rd
Acton, MA*

2. Article Number (Copy from service label)

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

4-1-02

C. Signature

X Dawn Denaro ☐ Agent
☐ Addressee

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail ☐ Express Mail
☐ Registered ☐ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.

4. Restricted Delivery? (Extra Fee) ☐ Yes

978-264-9630

Dawn Denaro
Jennifer Path
Acton, Mass. 01720

March 8, 2002

03-21-02A10:21 RCVD

To whom it may concern,

This letter is to inform the Department of my intent to sell; 6 Jennifer Path, Acton, Massachusetts, also known as: Unit 14, Harris Street Village.

Please find enclosed a copy of recent appraisal as requested.

I can be reached at: wk- 1-978-692-3714

Hm- 1-978-263-1177

Cell # - 978-807-5310

At this time I have not hired a brokerage firm. Please call myself to arrange for showings or to answer any questions.

Thank You,



Dawn Denaro

LOCAL INITIATIVE PROGRAM
DISCOUNT RATE CERTIFICATE

The undersigned Director of the Massachusetts Department of Housing and Community Development, the successor agency to the Executive Office of Communities and Development, a department duly organized and existing pursuant to Chapter 204 of the Acts of 1996 with all powers of said executive office and department, or the Director's duly authorized designee, ("the Director") certifies as follows with respect to a certain Deed Rider annexed and made part of that certain Deed from Harris Street Village, LLC ("Grantor") to Dawn L.C. Visco ("Grantee") dated 8/1/00, recorded with the South Middlesex Registry of Deeds in Book Page (the "Deed Rider"):

1. The property referred to herein is the Property described in the Deed Rider.
2. The Property was developed pursuant to the provisions of the Local Initiative Program (LIP), which was established by regulations promulgated at 760 CMR 45.00 et seq.
3. The Director has determined that the Discount Rate applicable to the Property is 30.9 %, which shall be used in determining the Maximum Resale Price for the Property.
4. The Director has determined that the terms of the purchase money loan for the initial sale of the Property, namely a 30 -year, fixed rate loan at 7.99 % interest per year with 0 points paid at settlement, are in compliance with LIP requirements.
5. All defined terms used herein shall be defined as set forth in the Deed Rider unless otherwise defined herein.

Executed as a sealed instrument this 24 day of July, 2000.

The Department of Housing and
Community Development
Jane Wallis Gumble, Director

By: Alexander Whiteside
Alexander Whiteside, Chief Counsel
Duly Authorized Designee

COMMONWEALTH OF MASSACHUSETTS

Suffolk, ss

July 24, 2000.

Then personally appeared before me the above named Alexander Whiteside as Chief Counsel of the Department of Housing and Community Development and acknowledged the foregoing instrument to be his free act and deed before me.

Amy J. Fripp
Notary Public
My Commission Expires
Notary Public
State of Massachusetts
AMY J. FRIPP
My Commission Expires March 24, 2006

LP101010-0-7/31/98

PROPOSAL FOR SERVICES

The Town of Acton
Donald Johnson, Manager
Town Hall
Acton, MA 01720

Re: Acton Community Housing Corporation
Affordable Unit Resale – Harris Village

MCO & ASSOCIATES, Inc. (MCO) agrees to oversee a lottery process for the distribution of a re-sale unit at Harris Street Village in Acton, MA. MCO shall conduct the lottery in conjunction with accepted DHCD standards with over site from the Acton Community Housing Corporation (ACHC).

MCO agrees to provide mailing to current listing to families identified as Acton residents, place an advertisement in local newspaper, provide information to Acton Handicapped Commission, collect applications, conduct the lottery and aid the winner in securing a mortgage for the home.

MCO shall be paid a sum of \$500.00 plus the cost of all expenses, including but not limited to printing, copying, mailing, postage, advertising, supplies, etc. Any expenses paid out of pocket by MCO shall be invoiced on a cost plus 10 % basis. Payment will be upon unit closing.

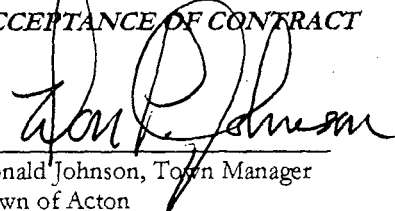
ACHC has established the re-sale price of the home as \$112,785.00. Preferences for distributing the home are as follows:

1. Acton Handicapped Applicant
2. Handicapped Applicant
3. Acton "Local Preference" Applicant

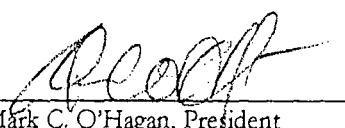
In all cases family households will take precedence over single applicants within the preference groups.

Questions that may arise as it relates to preference circumstances shall be referred to the ACHC and they shall make any necessary determinations.

ACCEPTANCE OF CONTRACT


Donald Johnson, Town Manager
Town of Acton

4/5/02
Date


Mark C. O'Hagan, President
MCO & Associates, Inc.

APRIL 5, 2002
Date



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**
Jane Swift, Governor ♦ Jane Wallis Gumble, Director

FAX COVER SHEET

DATE: April 12, 2002

TO: Betty McManus FAX (978) 266-1408
Acton Community Housing Corp.

FROM: Catherine Peagler Phone (617) 727-7824 x552
Housing Specialist FAX (617) 727-0532
State Homeownership Programs
Private Housing Division

SUBJECT: Handicapped Lottery Applicants

Number of pages including cover sheet: 1

Betty,

I passed your question along to Miryam about handicapped applicants and an adaptable unit.

Miryam said that if the community and sponsor agree to do so, separate handicapped preference pool could be created for single handicapped individuals or families with a handicapped individual. Also, Miryam said if there is an adaptable unit with more than one bedroom, a pool should be created for families with a handicapped member. If they want units for single handicapped individuals, they should have the developer create smaller units – although there are some handicapped individuals that will need more than one bedroom to accommodate a caregiver.

*Forwarded
To Mark O'Hagan*

We always say that a separate handicapped preference pool may be created for single handicapped individuals or families containing a handicapped person if the community and sponsor agree to do so. If they have an adaptable unit and it has more than one bedroom they should run a pool for families containing a handicapped person. If they want to have unit for single handicapped individuals then they should have the developer do small units - some handicapped persons need a care taker so they may require more than one bedroom. These questions are had to answer unless you know all the details.



ACTON HOUSING AUTHORITY

68 Windsor Avenue

P.O. Box 681

Acton, Massachusetts 01720-0681

(978) 263-5339 fax (978) 266-1408

TDD# 1-800-545-1833 ext 120

MEDICAL CERTIFICATION OF HANDICAPPED STATUS

Patient's Name

In order to seek clarification regarding an applicant's disability per state regulation 760CMR and Section 1 and 3 of Chapter 121B, MGL, certification from a medical doctor is necessary. Your patient's application cannot be processed without this verification from you. Thank you in advance for your prompt attention to this matter.

Please conform to the following three statements which are necessary to classify an applicant as "handicapped" and as eligible:

- A. This person has a physical and/or mental impairment which is expected to be of long and continued duration, but at least for more than six (6) months.

- B. This person has an impairment that substantially impedes the ability to live independently in conventional housing.

- C. This person has an impairment of such a nature that the ability to live independently could be improved by more suitable housing.

A person with a qualifying physical impairment shall include but not be limited to:

1. A person confined to wheelchair;
2. A person, who, because of use of braces, or crutches, or because of the loss of a foot or leg, or because of an arthritic, spastic, pulmonary, or cardiac condition, walks with difficulty or insecurity;
3. A person who, due to a brain, spinal or peripheral nerve injury suffers from faulty coordination or palsy;
4. A person who is blind or whose sight is so impaired that when functioning in a public area is insecure or exposed to danger;
5. A person whose hearing is so impaired that he or she cannot hear warning signals;

EQUAL HOUSING OPPORTUNITY



6. One who has a developmental disability, which prevents them from living totally independently, and would benefit from specialized housing (may include those with cerebral palsy, mental retardation and epilepsy).

Comments:

Print Name of Physician

Signature

Date

Address

Telephone/Fax Numbers



TOWN OF ACTON
472 Main Street
Acton, Massachusetts 01720
Telephone (978) 264-9636
Fax (978) 264-9630

Planning Board

INTERDEPARTMENTAL COMMUNICATION

To: Acton Community Housing Corporation **Date:** April 24, 2000
From: Planning Board *Roland Barth For the Planning Board*
Subject: Harris Street Village - Affordable Unit with Adaptability for Persons with Disabilities

We regret to hear that you have committed through lottery the one affordable unit, which we required to be adaptable for occupancy by persons with disabilities, to a buyer without disabilities while not giving income-qualified persons with disabilities any prior preference. Although we did not specify how the adaptable unit had to be made available to persons with disabilities, it was our intent, and we thought it goes without saying, that persons with disabilities should be given first priority for this unit.

If we ever have the opportunity again to provide affordable units that are adaptable for persons with disabilities, please make sure that persons with disabilities have top preference for such units. In addition, please ensure that deed riders and resale restrictions for the adaptable unit at Harris Street Village and for any other adaptable, affordable units require clearly defined procedures for advertising and offering the units first to persons with disabilities before offering them to other qualified affordable home buyers.

Again, we regret this very unfortunate mishap. We trust that your capable leadership and continued advocacy to bring affordable housing to Acton will in the future embrace a more determined effort assisting low- and moderate-income buyers with disabilities.

Cc: Town Manager
Acton Commission on Disabilities
Building Commissioner
Ronald B. Peabody, Northwest Development LLC

ACTON COMMUNITY HOUSING CORPORATION
P.O. BOX 681
ACTON, MASSACHUSETTS 01720

May 11, 2000

Acton Planning Board
Town Hall
Acton, MA

Dear Board members and staff:

Although the ACHC is scheduled to meet with the Planning Board on June 12, not all the members can be in attendance and we feel the need to offer some background information on our rationale for the action taken in regard to the handicapped unit at the Harris Village development.

We would begin by stating our displeasure with the distribution of copies of the 4/24/00 Planning Board memo to ACHC going to other boards, individuals, *and the press* before our members had even seen a copy or knew of its existence. The distribution method for communication with our committee is via the Acton Housing Authority mailbox in Town Hall, which is only checked on a weekly basis. We will accept the failing on our part to check the box prior to our 7AM meeting on April 28 but the letter had already been distributed to others by then and the damage done. In the future, we would request that a memo of such volatility be brought to the attention of the Chair of the ACHC before distribution to others. We also reserve some anger for the reporter who wrote an entirely one-sided story on an issue that we had not discussed and therefore could not comment on prior to the publication of the article.

As members of an extremely visible town board, I know you understand the pain of public criticism and have received more than your fair share. As board members, we should always remain cognizant of the fact that we are, in the final analysis, just volunteers trying to do what is best for the entire town and regrettably there are fewer and fewer of us willing to serve. The rhetoric displayed in your memo and the quotes used by the press were unjustifiably harsh particularly when your board had not sought an explanation from us about our actions. This has been most upsetting to the members of ACHC. We share the blame for the miscommunication in not approaching you about our reasoning. We were operating under a tight time frame since the lottery decisions had to be made quickly but that is no excuse, and for that we apologize.

Here is some of the background information that we considered:

- 1. Three Planning Board decisions for Affordable Housing proposals, each different.**

Harris Village

The ACHC met with Ron Peabody on September 17, 1998 to review his plans for Harris Village. He proposed to have 4 single-family homes (25%) designated for the "First Time Homebuyers" program under the MA DHCD Local Initiative Program. This is the program that the ACHC is charged with administering. There was no mention of handicapped units at this meeting. The ACHC sent its recommendation for approval to the Board of Selectmen on November 11, 1998 and they subsequently approved the project on 11/17/98. Again no mention was made of handicapped units in the proposal.

The first indication of a change in the housing concept came in the Planning Board decision of January 11, 1999 with the addition of condition 3.2.7 which reads: "One of the affordable units shall be constructed to be adaptable for residents with disabilities in accordance with Mass. Architectural Access Board Regulations, 521 CMR (Group 2 residence)." This was the first the ACHC was aware of the revision.

Bellows Farm

The Planning Board decision for Bellows Farm (8/28/95) reads, "One of the \$94,500 units shall be constructed to be accessible for persons with disabilities in accordance with the requirements of the MA Architectural Access Board. If permitted under applicable laws and regulations, this unit shall first be offered for sale to persons with disabilities and households with persons with disabilities."

Westside Village

Planning Board decision made no requirement for handicapped units at all among the four affordable units required.

Three decisions, three different directions. ACHC chose to interpret the decisions exactly as written.

2. The Charge to the Acton Community Housing Corporation

The ACHC became a town board in 1995, appointed by the Board of Selectmen, through the submission of a Home Rule petition to the MA Legislature allowing such a Charter change. Prior to our town board status, we operated as a private non-profit corporation and have now disbanded that completely. We have been in existence since 1986 with most of our current members serving during the entire history of the board.

The mission of the ACHC is to increase the supply of affordable housing in the town. ACHC exists to enable creation of affordable housing ownership opportunities for moderate-income families, with priority to Acton residents, children of Acton residents, and employees working in Acton. Our program is a moderate-income program not a low-income program. The low-income housing program in this town is administered by the Acton Housing Authority and is only a rental program, not a home ownership one.

The ACHC considers its charge to be that of administering the First Time Homebuyers Program, as established by the state, so that any of the affordable dwellings in that program will qualify for inclusion in the state-mandated 10% affordability portion of total housing in the community. The MA Dept. of Housing and Community Development's (DHCD) Local Initiative Program (LIP) does not cover housing for the disabled nor does it require such units to be constructed under the First Time Homebuyer's program.

Under separate cover, we will be seeking guidance from the Board of Selectmen as to whether or not their charge to us has changed. Should they expect us to now include handicapped housing and/or age restrictive housing programs in our duties, the ACHC will need to rethink its role.

3. ACHC concerns about administering affordable handicapped accessible homes.

Attached to this letter is a description of the First Time Homebuyers Program also known as Local Initiative Program. It is a complicated and restrictive program that does not lend itself to tinkering. Please read it through to better understand our program.

As facilitators for the affordable housing program, neither the ACHC nor the Town ever owns the properties in the LIP program. The properties are owned by the developer and transferred to the new owners after income eligibility has been established and verified. Each of these properties is required to have a deed restriction to insure the permanent affordability of the home. The resale of the properties is clearly spelled out in the program regulations.

Concern #1 Demand

The demand for affordable housing in Acton is *enormous* especially in the current real estate market. For the 16 affordable units dedicated to our program, we had a total of 195 eligible applicants. Of those 195, only 6 applicants (3%) reported needing handicapped housing. Two of our 16 units, or 13%, are handicapped accessible or adaptable. This does not indicate a significant demand for affordable, handicapped housing but does indeed indicate a need to generate as many affordable family units as possible. Perhaps the perceived demand for handicapped housing should focus on market priced homes or in rental housing.

Concern #2 Verification

As a group of housing volunteers, we have found the income eligibility process to be so time-consuming and cumbersome that it needs to be handled by a private consultant, funded by the developers. The determination of family size, household income, household assets, prior home ownership, and credit history for any given applicant is a monumental task. To add to that the verification and identification of a handicapped person is not something we are capable of doing. This would need a third-party verification procedure.

Concern #3 Cost of Adaptability

In the case of Harris Village, the affordable houses are 2 stories. That meant any future and potential adaptability needs must be met without requiring major structural changes at a later date. Therefore, space had to be provided in this unit for an elevator, the bathroom had to be completely accessible, the kitchen counters had to be height adjustable and a ramp could be constructed easily if needed. Let's assume that the first homebuyer was wheel chair bound. Who is responsible for funding the elevator? If the homeowner could afford to put in an elevator, it is likely that he could exceed the income and/or asset limitation. What if the first homebuyer is deaf (as is the case with one of the 6 applicants)? He does not need the physical barrier changes but needs instead strobe lights on smoke detectors, TDD wiring etc. Who pays for that? When the home goes on the market for resale in the future, there would be a deed rider requiring it be sold to a handicapped person. Who will pay for the potential different adaptability requirements at that time? Must an elevator be installed should the new buyer need it and if so who pays for it?

At least in the Bellows Farm situation, the handicapped house is a one level ranch and meets all the requirements for a wheel chair bound resident.

Concern #4 Which unit should be designated as the handicapped unit?

The LIP program allows the affordable houses to have a local preference for 70% of the units. With the four Harris Village units, this is the required breakdown: 1 unit - Minority family, 2 units - Local family (town employee, resident, child of resident, or works in town) and 1 unit - Rest of the state. Which of these units should be deed restricted in perpetuity as handicapped?

Concern #5 Eventual loss of affordable housing stock

As detailed in the attachment, the resale process for these homes is extremely complex and time-restrictive. The seller and the town essentially have 90 days from notification to find an income eligible buyer and may even have to hold a lottery should more than one apply, which is extremely likely given the demand. If this seller has to also find an eligible handicapped buyer in the same 90 days, our fear is it cannot be done and the house will then be sold to anyone on the open market. The unit is then lost to the program. We have too few units to take that risk.

Conclusions

The more the ACHC pondered these scenarios, the more complex the administration of the program became. The current members of ACHC hold years of experience in this field, including professional experience. When they are no longer on the committee, the responsibility for the administration of this program will fall on the shoulders of the already over-burdened Planning Department. We are trying to make the process as straightforward and fair as possible.

After considering all the above concerns and after reflecting on the less than satisfactory experience encountered with the Bellows Farm handicapped unit, on Feb. 10, 2000, the ACHC made the following decision (excerpt from minutes of 2/10/00):

C. Discussion followed regarding whether a separate pool would be held for the handicapped adaptable home at Harris Village. It was the sense of the members not to have a separate handicapped pool, but to include a question on the lottery application asking the applicant if anyone in the family had a handicapped member. Kevin McManus moved that the lottery would not have a separate handicapped pool, but if one of the four winners of the lottery were handicapped, the designated handicapped adaptable unit would be adapted to the family's specific need. Jana Mullin seconded the motion and all members voted in favor.

We hope this information will help you understand how we came to make the decision that we did on the Harris Village units. The ACHC members are strongly dedicated to the affordable housing program and would support the efforts of any other group who might wish to pattern a handicapped housing program after our system. We see as our primary purpose the provision of affordable housing to moderate-income families and that is the focus we wish to sustain.

We look forward to meeting with you on June 12.

Sincerely,

A handwritten signature in cursive script that reads "Nancy Tavernier".

Nancy Tavernier, Chair
ACHC

Attachment

Copies to:

Town Manager

BOS

Acton Comm. on Disabilities

Building Commissioner

Ron Peabody

Massachusetts Department of Housing and Community Development

Division of Private Housing

The Division of Private Housing provides affordable homeownership and rental opportunities in the private sector. Among the programs that are administered by the division are those:

- that fund and encourage the development of mixed-income projects sponsored by community housing partnerships and developers,
- that make housing overstock and foreclosure properties available to first time homebuyers, and
- that provide advantageous home financing terms for low and moderate-income families

Local Initiative Program (LIP)

The Local Initiative Program (LIP) encourages the creation of affordable housing by providing technical assistance to communities and developers who are working together to create affordable homeownership opportunities for low- and moderate-income households. To be eligible for technical assistance, a developer must agree to set aside at least 25% of the units as affordable units. These units, which are sold at reduced prices to qualified buyers, are well integrated within the development, and their facades typically are indistinguishable from similar, full-price units. Please note that, even though the exteriors of affordable units should be indistinguishable from market-rate units, the interior amenities may differ.

Affordable units built under the Local Initiative Program initially are sold to qualified applicants by a lottery administered by the local municipality and/or the project's developer. Affordable units, or LIP units, also are available to qualified buyers when the owners of existing units sell their homes. Under the rules of the Local Initiative Program, these homeowners must offer their units for sale to qualified low- and moderate-income buyers. Subsequent buyers are subject to the same resale restrictions as initial buyers.

Eligible Purchasers: Income and Asset Limits

At a minimum, prospective owners of LIP units must qualify for ownership based on the following criteria:

1. Maximum Household Income - The household income limits are:
Boston Metropolitan Statistical Area (MSA) - \$47,800 Acton
Areas Beyond the Boston MSA - \$40,980
2. First-Time Homebuyer – Generally, only first-time homebuyers are eligible to purchase Local Initiative Program units. "First-time homebuyers" are individuals who have not held an ownership interest in real estate within the past three years. All members of the household must be first-time homebuyers. Exceptions can be made for displaced homemakers, single parents who owned a home with a former spouse, mobile home owners, and owners of dilapidated property.
3. Asset Limit - The Local Initiative Program units are available only to households with assets of \$30,000 or less.
4. Applicants must qualify for a 30-year fixed-rate mortgage with terms that are acceptable to the Department of Housing and Community Development (DHCD).

Please note that the guidelines provided above are minimum requirements. Households may meet the above criteria and still not qualify for a LIP unit, since they still must satisfy all underwriting criteria used by mortgage originating lenders. Certain LIP developments also are subject to additional, local eligibility criteria. Furthermore, because the supply of LIP units is limited, households that qualify for a LIP unit will not necessarily obtain a house.

Resale and Refinancing Restrictions

Affordable housing created through LIP is intended to remain affordable over the long term. To promote this objective, all financial transactions involving LIP units (e.g., purchases, refinances, and subsequent sales) are subject to certain restrictions. Most notably, all such transactions are subject to approval by the DHCD or the municipality in which the unit is located, or both.

The specific limitations imposed on LIP homes are detailed in a deed rider that is attached to and recorded with each buyer's deed. Prior to purchasing a LIP unit, interested buyers should be certain to read and understand the nature of the restrictions contained in the deed rider. Some of the major restrictions contained in it are:

1. Homeowners must provide written notice to their local municipality or the DHCD, or both, when they intend to sell their homes. This notice must be accompanied by a professional appraisal that estimates the current fair market value of the home. Based on the amount of the appraisal and the discount in purchase price that occurred the first time the home was sold, a Maximum Resale Price (MRP) is established to maintain the affordability of the home for subsequent buyers. Owners of LIP units will not receive any amount above the MRP on the sale of their home.
2. During a 90-day Right of First Refusal period, LIP owners can sell their units only to low- or moderate-income buyers who meet the program's income guidelines, asset limits, and first-time homebuyer status (i.e. no household member has had an ownership interest in a home within the past three years). After this 90-day period has expired, LIP owners can sell their home on the open market; however, the Maximum Resale Price still restricts the amount of money that the owner can receive from the sale. Any price above the MRP will be paid directly to the DHCD or the local municipality, and the funds will be earmarked for sponsoring homeownership programs.
3. Refinances of LIP units are subject to approval by the DHCD or the local municipality, or both. The amount which may be refinanced, as well as the terms of the new mortgage (e.g., interest rate, repayment period, etc.), are subject to review and approval.

Lotteries

Lotteries are held to award newly developed units that have been created under the Local Initiative Program. Lotteries are scheduled jointly by the developer of a project and the municipality in which the project is situated.

see ~~★~~ for emphasis

LOCAL INITIATIVE PROGRAM GUIDELINES - excerpts MAY 1997

Technical Assistance

Technical assistance is a critical component of the Local Initiative Program because it is the subsidy provided by the state for purposes of M.G.L. Chapter 40B. A site visit and project review meeting will be scheduled by DHCD staff immediately upon acceptance of an application for review under the Local Initiative Program. At a community's request, this may take place instead prior to the submission of a formal application. This review must include DHCD staff, the chief elected official (or designee), the developer, and a representative of the local housing partnership (if applicable). Other local officials may also be included at the discretion of the community.

The purposes of the site visit and meeting are: (1) to identify any problems with site, proposed project or existing units which appear to be inconsistent with the guidelines of the Local Initiative Program; (2) to assist the community in meeting the requirements of the Program; and, (3) to generally provide feedback to the community on the proposed units or projects and to identify key issues for the community to consider as part of its review and approval process. These issues may include, but are not limited to, condominium budgets, environmental issues, land valuation, marketing, financing, development scheduling, developer qualifications, construction warranties, and handicapped access.

Marketing and Buyer/Tenant Selection General

All Comprehensive Permit Projects, and all Local Initiative Units which are developed after February 1, 1990, must have a marketing plan approved by DHCD. The three basic elements of the plan are affirmative marketing to minority households, local preference (if any), and the buyer/tenant selection process. Each aspect of the marketing plan is described below.

Affirmative Marketing Plans

The goal for each marketing plan is to achieve a percentage of minority ownership or tenancy in low or moderate income units equal to the greater of: (1) the percentage of income-eligible minority households in the community; or, (2) the percentage of income-eligible minority households in the applicable regional planning area. The goals will be established using the 1980 Federal Census until new census data becomes available. Each Comprehensive Permit Project and all applicable Local Initiative Units must have an DHCD-approved affirmative marketing plan which outlines the steps that will be taken, including advertising and outreach to minority organizations, to achieve the minority participation goal. The plan must be ongoing and address not only initial sales and rent-up but also resales and rental turnover.

★ ★ In new construction projects 5% of the affordable units (or one unit in projects of less than 20 affordable units) must be modified to be handicapped accessible if a handicapped buyer is selected in the unit lottery process. Those units must be modified to be handicapped accessible

☆☆

units in accordance with standards approved by the Massachusetts Architectural Access Board. A separate handicapped preference pool also may be created for single handicapped individuals or families containing a handicapped person if the community and project sponsor agree to do so.

Local Preference

The marketing plan may also include local preference for up to 70% cent of the low and moderate income units. Categories of local preference may be freely determined by the community provided they are reasonable and do not have a discriminatory or unlawful effect. A community may also use its local preference to address critical local housing needs. This would, for example, allow communities to jointly undertake a low or moderate income housing initiative with local employers or institutions (e.g. a large industrial company, medical center or public university). In exchange for private resources devoted to a project, such as the donation of sites, the participating employer or institution would gain dedicated housing units while contributing to meeting the housing needs of the community and region as a whole.

Buyer/Tenant Selection

Typically, the demand for low and moderate income housing units developed through the Local Initiative Program will exceed supply. In these circumstances, prospective buyers or tenants must be selected by a fair and equitable process such as a lottery. Typically, a lottery process is established jointly and then managed either by the community or by the developer. Unless the community chooses to assume financial responsibility for the lottery process, the cost must be assumed by the developer. A development containing four or more affordable units would generally have a multiple pool lottery.

A multiple pool lottery for projects including a local preference should have three preference pools: a local preference pool, a minority preference pool and an open pool. Applicants entering preference priority pools such as local preference and minority preference should also be entered in all other pools for which they qualify.

☆☆ Preference also may be given to single handicapped Individuals if the community and developer have agreed to provide handicapped accessible units. Advertising outreach should be conducted primarily during the sixty-day period immediately preceding the scheduled lottery date.

☆☆ The lottery process must give preference for LIP units to families of two or more over single individuals in all cases. Units with two or more bedrooms shall be prioritized for larger families requiring additional bedrooms. Lottery drawings shall result in each applicant being given a ranking among other applicants and larger families being prioritized for units with appropriate numbers of bedrooms.

Typically, a lottery drawing is organized in the following manner: All applicants are given a registration number to allow public monitoring of lottery activities without sacrificing applicant privacy. Applicants should indicate the minimum number of bedrooms which the household legitimately needs to be accommodated, This bedroom need information should be shown on the

registration card. Cards with the registration number for applicant households are placed in each and all lottery pools in which they qualify (For example: a local minority household would have a registration card in all three pools). All of the cards are randomly drawn for each of the pools and placed in the order drawn (an applicant in more than one pool would likely have a different ranking position in each pool). If a project has units with different bedroom sizes, a specific number of units of each of the available bedroom sizes should be proportionally distributed among each lottery pool category. Units are then awarded (largest bedroom units first) by proceeding down the list of lottery winners to the first household on the list which needs a minimum number of bedrooms equal to the largest available unit. Once all larger households have been assigned to appropriate sized units in this manner, the selection order returns to the top of the list to the applicants with the next highest bedroom need. This process continues until all available units have been assigned buyers. Remaining unselected households will be drawn upon in the same manner should alternate buyers be needed,

Before holding a lottery, the community or the developer may either pre-screen applicants to determine that they are eligible to purchase or rent a unit or may establish criteria by which potential applicants "self-screen" before they apply. In doing so, the following general rules shall apply:

- Without exception, all applicants must be within the income limit of the Local Initiative Program and within the income limits designated for the particular unit(s) they are seeking to rent or purchase. Affordable unit applicants must also meet the program income limits in effect at the time they apply for a unit as well as meet the program income limits in effect at the time of all subsequent reviews until they assume occupancy of a unit.
- The Income limit established for each unit (see "Qualifying Incomes, Prices and Rents") assumes a household size of four persons or less. The limit may be adjusted upward, using the HUD data and adjustment factors in the Appendix, to accommodate an applicant household of five persons or more, (Note: this adjustment does not affect the maximum price or monthly rent of a unit, but simply the maximum income of persons who may apply to purchase or rent that unit.¹)
- In determining the household income of an applicant, the "passbook value" of any assets (currently 5.5% of the asset's value per year) shall be included as income. An applicant may not own any residential property unless, in the case of a unit for the elderly, it will be sold to create income to provide a down payment and/or to pay monthly rent or mortgage costs.
- Allowable assets of potential buyers shall not exceed \$30,000. Affordable units buyers must also qualify for a minimum mortgage amount equal to 50% of the purchase price of the unit.
- For homeownership units, it is also necessary to determine whether applicants have sufficient resources to meet down payment and closing costs and can support the carrying costs required for a specific unit. For family units, communities are generally encouraged to limit applicants to first-time home buyers (i.e., have never owned a home or have not owned a home as a principal residence for three prior years).

The pre-screening process, if any, may be carried out by the developer, a public agency, or a contracted third party that is approved as a "certifying agent" by DHCD.

ACTON COMMUNITY HOUSING CORPORATION
P.O. BOX 681
ACTON, MASSACHUSETTS 01720

May 11, 2000

Board of Selectmen
Acton Town Hall
Acton, MA

Dear Board Members:

Attached please find a copy of a letter from ACHC to the Planning Board in regard to a recent flap over the decision made by us to not hold a separate handicapped pool in the affordable housing lottery held on April 11 for the Harris Village development.

As a result of this incident, the ACHC is seeking clarification from the Selectmen, our appointing authority, as to your expectations of the scope and charge of our committee. The following specific points in the letter to the Planning Board we now address to you, asking that you indicate agreement or disagreement with our understanding of our role.

1. "The mission of the ACHC is to increase the supply of affordable housing in the town. ACHC exists to enable creation of affordable housing ownership opportunities for moderate-income families, with priority to Acton residents, children of Acton residents, and employees working in Acton. Our program is a moderate-income program not a low-income program. The low-income housing program in this town is administered by the Acton Housing Authority and is only a rental program, not a home ownership one."
2. "The ACHC considers its charge to be that of administering the First Time Homebuyers Program, as established by the state, so that any of the affordable dwellings in that program will qualify for inclusion in the state-mandated 10% affordability portion of total housing in the community. The MA Dept. of Housing and Community Development's (DHCD) Local Initiative Program (LIP) does not cover housing for the disabled nor does it require such units to be constructed under the First Time Homebuyer's program."
3. " Under separate cover, we will be seeking guidance from the Board of Selectmen as to whether or not their charge to us has changed. Should they expect us to now include handicapped housing and/or age restrictive housing programs in our duties, the ACHC will need to rethink its role."
4. "We see as our primary purpose the provision of affordable housing to moderate-income families and that is the focus we wish to sustain."

We wish to remind the Board that Governor Cellucci has recently renewed a long interest in increasing the supply of housing to individuals and families across a broad range of incomes and is tying this effort to the receipt of discretionary funds by communities throughout the state. Acton will need to go through a Housing Certification process and if we meet the certification standards, we will be given priority when applying for various grants in state discretionary programs of transportation, environmental affairs, economic development and housing.

In light of Gov. Cellucci's Executive Order #418 coupled with the decreasing amount of discretionary state funds, the ACHC believes this is not the time to change the focus of our affordable housing efforts. We have received solid support from the MA DHCD in the past and would expect that to continue as we are evaluated as a community for our commitment to increasing the supply of affordable housing.

We look forward to hearing from you and would be happy to meet with you should that be helpful.

Sincerely,

Nancy Tavernier, Chair
ACHC

cc Planning Board



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Planning Department

INTERDEPARTMENTAL COMMUNICATION

To: Garry Rhodes, Building Commissioner **Date:** May 11, 2000
From: Roland Bartl, AICP, Town Planner *R. B.*
Subject: Unit 14, Harris Street Village

On April 26, 2000, I sent you a clarification regarding adaptability requirements for unit 14. Please be advised that the Planning Board at its meeting on May 8, 2000 ratified my 4/26/00 clarification.

Please remember to check before the certificate of occupancy that the unit carries a deed restriction that will give persons with disabilities preference at the time of resale.

Cc: Town Manager
Planning Board
ACHC ✓
Mark O'Hagan
Peter Anderson, NorthWest Development



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Planning Department

INTERDEPARTMENTAL COMMUNICATION

To: Building Commissioner **Date:** April 26, 2000
From: Roland Bartl, AICP, Town Planner *R.B.*
Subject: Unit 14, Harris Street Village

This is to clarify the Planning Board's decision 99-1, section 3.2.7. Unit 14 is the affordable unit designated under that section to be adaptable as group 2 residence for persons with disabilities. The adaptable unit is designed with a single bathroom upstairs and provisions for an elevator if needed. In light of the fact that the unit has now been awarded to a buyer without any disabilities, it is reasonable and appropriate to grant the buyers request for an additional 1/2-bath downstairs that does not meet adaptability standards. Also, this confirms that kitchen cabinets do not have to meet accessibility requirements if the person living in the unit does not need them designed that way.

Before you issue an occupancy permit on unit 14, please verify that it carries a deed restriction that gives income qualified disabled buyers priority over other income qualified buyers. I will be glad to review the restriction when available.

All of the above is subject to ratification by the Planning Board at its next meeting on May 8, 2000.

cc: Planning Board
Town Manager
ACHC ✓